

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industrial Promotion – Extension of special package of incentives, under Mega project concept of Industrial Investment Promotion Policy (IIPP) 2010-15 to M/sPepsico India Pvt. Limited to set up a facility to manufacture Carbonated Soft Drinks, Packaged drinking Water and Processed Food Products like Fruit juice based drinks at SriCity in Chittoor District –Orders- Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 83

Dated:24.5.2014
Read the following:

1. From M/sPepsico India Pvt. Limited, Letter dt.08.05.2013
2. State Investment Promotion Board Meeting held on
18.01.2014

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ORDER:-

In the reference 1st read above, M/sPepsico India Pvt. Limited informed that they proposed to set up a Greenfield beverage manufacturing facility to manufacture Carbonated Soft Drinks, Packaged drinking Water and Processed Food Products like Fruit juice based drinks at Sri City in Chittoor District with an investment of Rs.1230.00 Crore in 3 phases creating employment to 1610 persons directly and 6440 indirectly.

2. M/sPepsico India Pvt. Limited has requested the Government for the following Incentives/ benefits:

- a) Maximum possible % of net VAT payable by the unit as reimburseme for a maximum possible period of time.
- b) Other standard package of investment under IIPP 2010-15 Policy , applicable.

3. In the reference 2nd read above, the State Investment Promotion Board (SIPB) in its meeting held on 18.1.2014 has discussed the proposal of M/sPepsico India Pvt. Limited, ChittoorDistrict in detail and ratified the action of Government in having granted the following package of incentives to M/sPepsico India Pvt. Limited, ChittoorDistrict, as a special case, as being a mega project, as well as due to the benefits accrued to about 30,000 to 40,000 farmers of local districts:

- a. 50% net VAT reimbursement up to 50% of capital investment.
- b. All other incentives as per IIPP 2010-15 policy.
- c. The incentives are subject to the condition that the company will procure mango pulp from AP farmers as specified below:

(P.T.O)

	Year	Quantity of Mango pulp to be procured from farmers in AP. (in 000'MTs)
1	2013	71
2	2014	99
3	2016	131
4	2017	158
5	2018	182
6	2019	210
7	2020	241

4. Government after careful examination of the proposal and the recommendations of the State Investment Promotion Board, hereby extend the following package of incentives as a special case as being a mega project, as well as due to the benefits to about 30,000 to 40,000 farmers of local districts, to M/sPepsico India Pvt. Limited, Chittoor District for their proposed facility to manufacture Carbonated Soft Drinks, Packaged drinking Water, and Processed food Product like Fruit juice based drinks at Sri City, under Industrial Investment Promotion Policy 2010-2015:

- (a) 50% net VAT reimbursement up to 50% of capital investment
- (b) All other incentives as per IIPP 2010-15 policy, which include:
 - (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
 - (ii) 100% reimbursement of Stamp duty for Lease of Land/Shed/buildings and also mortgages and Hypothecations.
 - (iii) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
 - (iv) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

5. The incentives are subject to the condition that the company procures mango pulp from AP farmers as indicated at para 3(c).

6. The Investment is to be realized within 7 years of issue of G.O or signing of MoU, whichever is earlier.
7. The Commercial production of the unit to start within 3 years of issue of G.O or signing of MoU, whichever is earlier.
8. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K. PRADEEP CHANDRA,
SPECIAL CHIEF SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To:

The Commissioner of Industries, A.P., Hyderabad.

M/sPepsico India Pvt. Limited, through the Commissioner of Industries, AP, Hyd.

Copy to:

The Revenue (CT) Department.

The Revenue (Registration) Department.

The Energy Department.

The Irrigation (Reforms) Dept.

The Law(J) Department

The Accountant General, Andhra Pradesh, Hyderabad

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO.,Hyderabad

The Managing Director, APSPDC Ltd., Tirupati.

The Vice Chairman & Managing Director, APIIC, Hyderabad.

The District Collector, Chittoor District.

The General Manager, DIC, Chittoor District.

P.S. to Principal Secretary to Chief Minister

P.S. to Hon'ble Minister(Major Industries)

P.S. to Chief Secretary to Government

P.S. to Spl Chief Secretary to Government & CIP, Ind. & Com Dept.

SC/SF

//FORWARDED: BY ORDER//

SECTION OFFICER